



General Assembly

January Session, 2009

Raised Bill No. 6535

LCO No. 3741

03741_____PRI

Referred to Committee on Program Review and Investigations

Introduced by:
(PRI)

AN ACT CONCERNING ENERGY EFFICIENCY AND CONSERVATION PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-35k of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 The General Assembly finds that the state of Connecticut is severely
4 disadvantaged by its lack of primary energy resources; that primarily
5 as a result of past policies and tendencies, the state has become
6 dependent upon petroleum as an energy source; that national energy
7 policies do not preclude the recurrence of serious problems arising
8 from this dependence during petroleum shortages; that the increase in
9 oil prices since the 1973 oil embargo has had a major impact on the
10 state; that the economy has suffered directly because of our
11 dependence on petroleum and constraints upon the rate of conversion
12 to alternatives; that other conventional sources of energy are subject to
13 constraints involving supply, transportation, cost and environmental,
14 health and safety considerations; and that the state must address these
15 problems by conserving energy, increasing the efficiency of energy
16 utilization and developing renewable energy sources. The General

17 Assembly further finds that energy use has a profound impact on the
18 society, economy and environment of the state, particularly in its
19 impact on low and moderate-income households and interrelationship
20 with population growth, high density urbanization, industrial well-
21 being, resource utilization, technological development and social
22 advancement, and that energy is critically important to the overall
23 welfare and development of our society. Therefore, the General
24 Assembly declares that it is the policy of the state of Connecticut to (1)
25 conserve energy resources by avoiding unnecessary and wasteful
26 consumption; (2) consume energy resources in the most efficient
27 manner feasible; (3) develop and utilize renewable energy resources,
28 such as solar and wind energy, to the maximum practicable extent; (4)
29 diversify the state's energy supply mix; (5) where practicable, replace
30 energy resources vulnerable to interruption due to circumstances
31 beyond the state's control with those less vulnerable; (6) assist citizens
32 and businesses in implementing measures to reduce energy
33 consumption and costs; (7) ensure that low-income households can
34 meet essential energy needs; (8) maintain planning and preparedness
35 capabilities necessary to deal effectively with future energy supply
36 interruptions; (9) by 2015 reduce state-wide energy consumption from
37 2006 levels by ten per cent per capita through employing efficiency
38 and conservation measures; and ~~[(9)]~~ (10) when available energy
39 alternatives are equivalent, give preference for capacity additions first
40 to conservation and load management. The state shall seek all possible
41 ways to implement this policy through public education and
42 cooperative efforts involving the federal government, regional
43 organizations, municipal governments, other public and private
44 organizations and concerned individuals, using all practical means and
45 measures, including financial and technical assistance, in a manner
46 calculated to promote the general welfare by creating and maintaining
47 conditions under which energy can be utilized effectively and
48 efficiently. The General Assembly further declares that it is the
49 continuing responsibility of the state to use all means consistent with
50 other essential considerations of state policy to improve and

51 coordinate the plans, functions, programs and resources of the state to
52 attain the objectives stated herein without harm to the environment,
53 risk to health or safety or other undesirable or unintended
54 consequences, to preserve wherever possible a society which supports
55 a diversity and variety of individual choice, to achieve a balance
56 between population and resource use which will permit the
57 maintenance of adequate living standards and a sharing of life's
58 amenities among all citizens, and to enhance the utilization of
59 renewable resources so that the availability of nonrenewable resources
60 can be extended to future generations. The General Assembly declares
61 that the energy policy is essential to the preservation and enhancement
62 of the health, safety and general welfare of the people of the state and
63 that its implementation therefore constitutes a significant and valid
64 public purpose for all state actions.

65 Sec. 2. Section 16-32f of the general statutes is repealed and the
66 following is substituted in lieu thereof (*Effective July 1, 2009*):

67 (a) On or before October first of each even-numbered year, a gas
68 company, as defined in section 16-1, shall furnish a report to the
69 Department of Public Utility Control containing a five-year forecast of
70 loads and resources. The report shall describe the facilities and supply
71 sources that, in the judgment of such gas company, will be required to
72 meet gas demands during the forecast period. The report shall be
73 made available to the public and shall be furnished to the chief
74 executive officer of each municipality in the service area of such gas
75 company, the regional planning agency which encompasses each such
76 municipality, the Attorney General, the president pro tempore of the
77 Senate, the speaker of the House of Representatives, the joint standing
78 committee of the General Assembly having cognizance of matters
79 relating to public utilities, any other member of the General Assembly
80 making a request to the department for the report and such other state
81 and municipal entities as the department may designate by regulation.
82 The report shall include: (1) A tabulation of estimated peak loads and
83 resources for each year; (2) data on gas use and peak loads for the five

84 preceding calendar years; (3) a list of present and projected gas supply
85 sources; (4) specific measures to control load growth and promote
86 conservation; and (5) such other information as the department may
87 require by regulation. A full description of the methodology used to
88 arrive at the forecast of loads and resources shall also be furnished to
89 the department. The department shall hold a public hearing on such
90 reports upon the request of any person. On or before August first of
91 each odd-numbered year, the department may request a gas company
92 to furnish to the department an updated report. A gas company shall
93 furnish any such updated report not later than sixty days following the
94 request of the department.

95 (b) Not later than October 1, 2005, and annually thereafter, a gas
96 company, as defined in section 16-1, shall submit to the Department of
97 Public Utility Control a gas conservation plan, in accordance with the
98 provisions of this section, to implement cost-effective energy
99 conservation programs and market transformation initiatives. All
100 supply and conservation and load management options shall be
101 evaluated and selected within an integrated supply and demand
102 planning framework. Such plan shall be funded during each state
103 fiscal year by [the revenue from the tax imposed by section 12-264 on
104 the gross receipts of sales of all public services companies that is in
105 excess of the revenue estimate for said tax that is approved by the
106 General Assembly in the appropriations act for such fiscal year,
107 provided the amount of such excess revenue that shall be allocated to
108 fund such plan in any state fiscal year shall not exceed ten million
109 dollars. Before the accounts for the General Fund have been closed for
110 each fiscal year, such excess] one per cent of the previous year's gross
111 revenues of each gas company, as defined in section 16-1. Such
112 revenue shall be deposited by the Comptroller in an account held by
113 the Energy Conservation Management Board, established pursuant to
114 section 16-245m. Services provided under the plan shall be available to
115 all gas company customers. Each gas company shall apply to the
116 Energy Conservation Management Board for reimbursement for
117 expenditures pursuant to the plan. The department shall, in an

118 uncontested proceeding during which the department may hold a
119 public hearing, approve, modify or reject the plan.

120 (c) (1) The Energy Conservation Management Board shall advise
121 and assist each such gas company in the development and
122 implementation of the plan submitted under subsection (b) of this
123 section. Each program contained in the plan shall be reviewed by each
124 such gas company and shall be either accepted, modified or rejected by
125 the Energy Conservation Management Board before submission of the
126 plan to the department for approval. The Energy Conservation
127 Management Board shall, as part of its review, examine opportunities
128 to offer joint programs providing similar efficiency measures that save
129 more than one fuel resource or to otherwise coordinate programs
130 targeted at saving more than one fuel resource. Any costs for joint
131 programs shall be allocated equitably among the conservation
132 programs.

133 (2) Programs included in the plan shall be screened through cost-
134 effectiveness testing that compares the value and payback period of
135 program benefits to program costs to ensure that the programs are
136 designed to obtain gas savings whose value is greater than the costs of
137 the program. Program cost-effectiveness shall be reviewed annually by
138 the department, or otherwise as is practicable. If the department
139 determines that a program fails the cost-effectiveness test as part of the
140 review process, the program shall either be modified to meet the test
141 or be terminated. On or before January 1, 2007, and annually
142 thereafter, the board shall provide a report, in accordance with the
143 provisions of section 11-4a, to the joint standing committees of the
144 General Assembly having cognizance of matters relating to energy and
145 the environment, that documents expenditures and funding for such
146 programs and evaluates the cost-effectiveness of such programs
147 conducted in the preceding year, including any increased cost-
148 effectiveness owing to offering programs that save more than one fuel
149 resource.

150 (3) Programs included in the plan may include, but are not limited
 151 to: (A) Conservation and load management programs, including
 152 programs that benefit low-income individuals; (B) research,
 153 development and commercialization of products or processes that are
 154 more energy-efficient than those generally available; (C) development
 155 of markets for such products and processes; (D) support for energy use
 156 assessment, engineering studies and services related to new
 157 construction or major building renovations; (E) the design,
 158 manufacture, commercialization and purchase of energy-efficient
 159 appliances, air conditioning and heating devices; (F) program planning
 160 and evaluation; (G) joint fuel conservation initiatives and programs
 161 targeted at saving more than one fuel resource; and (H) public
 162 education regarding conservation. Such support may be by direct
 163 funding, manufacturers' rebates, sale price and loan subsidies, leases
 164 and promotional and educational activities. The plan shall also provide
 165 for expenditures by the Energy Conservation Management Board for
 166 the retention of expert consultants and reasonable administrative costs,
 167 provided such consultants shall not be employed by, or have any
 168 contractual relationship with, a gas company. Such costs shall not
 169 exceed five per cent of the total cost of the plan.

170 Sec. 3. Subdivision (3) of subsection (e) of section 16a-22l of the
 171 general statutes is repealed and the following is substituted in lieu
 172 thereof (*Effective from passage*):

173 (3) The Fuel Oil Conservation Board shall establish a fuel oil
 174 conservation account. The account shall be a separate, nonlapsing
 175 account within the restricted grant fund and shall be funded by annual
 176 revenue from the tax imposed by section 12-587 on the sale of
 177 petroleum products gross earnings that is in excess of said revenue
 178 collected during fiscal 2006, provided the amount of such revenue that
 179 shall be allocated to said account in the fiscal year commencing July 1,
 180 2007, shall not exceed ten million dollars, [and] the amount of such
 181 revenue that shall be allocated to said account in the fiscal [years] year
 182 commencing [on and after] July 1, 2008, shall not exceed five million

183 dollars, and the amount of such revenue that shall be allocated to said
184 account in fiscal years commencing on and after July 1, 2009, shall not
185 exceed ten million dollars. The Comptroller may deposit into the fuel
186 oil conservation account up to two million five hundred thousand
187 dollars upon June 17, 2008, and any remaining balance for the fiscal
188 year commencing July 1, 2007, shall be deposited as determined by the
189 Comptroller upon the close of the fiscal year, but no later than October
190 1, 2008.

191 Sec. 4. Section 16a-37u of the general statutes is repealed and the
192 following is substituted in lieu thereof (*Effective from passage*):

193 (a) The Secretary of the Office of Policy and Management shall be
194 responsible for planning and managing energy use in state-owned and
195 leased buildings and shall establish a program to maximize the
196 efficiency with which energy is utilized in such buildings and, on and
197 after the effective date of this section, reduce energy consumption in
198 such buildings by at least ten per cent by January 1, 2010. The secretary
199 shall exercise this authority by (1) preparing and implementing annual
200 and long-range plans, with timetables, establishing goals for reducing
201 state energy consumption and, based on energy audits, specific
202 objectives for state agencies to meet the performance standards
203 adopted under section 16a-38; (2) coordinating federal and state energy
204 conservation resources and activities, including but not limited to,
205 those required to be performed by other state agencies under this
206 chapter; and (3) monitoring energy use and costs by budgeted state
207 agencies on a monthly basis.

208 (b) Not later than January fifth, annually, the Secretary of the Office
209 of Policy and Management shall submit a report to the Governor and
210 the joint standing committee of the General Assembly having
211 cognizance of matters relating to energy planning and activities. The
212 report shall (1) indicate the total number of energy audits and technical
213 assistance audits of state-owned and leased buildings, (2) summarize
214 the status of the energy conservation measures recommended by such

215 audits, (3) summarize all energy conservation measures implemented
216 during the preceding twelve months in state-owned and leased
217 buildings which have not had such audits, (4) analyze the availability
218 and allocation of funds to implement the measures recommended
219 under subdivision (2) of this subsection, (5) list each budgeted agency,
220 as defined in section 4-69, which occupies a state-owned or leased
221 building and has not cooperated with the Commissioner of Public
222 Works and the Secretary of the Office of Policy and Management in
223 conducting energy and technical assistance audits of such building and
224 implementing operational and maintenance improvements
225 recommended by such audits and any other energy conservation
226 measures required for such building by the secretary, (6) summarize
227 all life-cycle cost analyses prepared under section 16a-38 during the
228 preceding twelve months, and summarize agency compliance with the
229 life-cycle cost analyses, and (7) identify any state laws, regulations or
230 procedures that impede innovative energy conservation and load
231 management projects in state buildings.

232 (c) The Secretary of the Office of Policy and Management, in
233 conjunction with the Department of Public Works, shall as soon as
234 practicable and where cost-effective connect all state-owned buildings
235 to a district heating and cooling system, where such heating and
236 cooling system currently exists or where one is proposed. The
237 secretary, in conjunction with the Department of Public Works, shall
238 prepare an annual report with the results of the progress in connecting
239 state-owned buildings to such a heating and cooling system, the cost of
240 such connection and any projected energy savings achieved through
241 any such connection. The secretary shall submit the report to the joint
242 standing committee of the General Assembly having cognizance of
243 matters relating to energy on or before January 1, 1993, and January
244 first annually thereafter.

245 (d) The Secretary of the Office of Policy and Management shall
246 require each state agency to maximize its use of public service
247 companies' energy conservation and load management programs and

248 to provide sites in its facilities for demonstration projects of highly
249 energy efficient equipment, provided no such demonstration project
250 impairs the functioning of the facility.

251 Sec. 5. Subdivision (2) of subsection (c) of section 4-73 of the general
252 statutes is repealed and the following is substituted in lieu thereof
253 (*Effective from passage*):

254 (2) In addition, the supporting schedule of agency energy costs shall
255 be supported by a statement of the agency's plans for energy
256 conservation in each fiscal year of the ensuing biennium, and a
257 statement of the progress the agency has made in the last-completed
258 fiscal year concerning energy conservation. For the biennium
259 commencing July 1, 2010, and each biennium thereafter, the Office of
260 Policy and Management shall submit in accordance with the
261 provisions of section 11-4a such supporting schedule to the joint
262 standing committee of the General Assembly having cognizance of
263 matters relating to energy.

264 Sec. 6. Section 16a-37v of the general statutes is repealed and the
265 following is substituted in lieu thereof (*Effective from passage*):

266 Not later than July 1, [2004] 2010, the Office of Policy and
267 Management and the Department of Public Works shall establish a
268 pilot program under which the state selects an existing state facility or
269 complex of facilities to be covered by an energy performance contract
270 with a private vendor. The agencies that participate in the pilot
271 program shall submit reports on the results of the program to the joint
272 standing committees of the General Assembly having cognizance of
273 matters relating to appropriations and energy and technology in
274 accordance with section 11-4a. Such reports shall be submitted not
275 later than three months after the effective date of the contract and
276 annually thereafter until the final report is submitted not later than
277 three months after the termination of the contract.

278 Sec. 7. Section 16-2a of the general statutes is repealed and the

279 following is substituted in lieu thereof (*Effective from passage*):

280 (a) There shall continue to be an independent Office of Consumer
 281 Counsel, within the Department of Public Utility Control for
 282 administrative purposes only, to act as the advocate for consumer
 283 interests in all matters which may affect Connecticut consumers with
 284 respect to public service companies, electric suppliers and certified
 285 telecommunications providers. The Office of Consumer Counsel is
 286 authorized to appear in and participate in any regulatory or judicial
 287 proceedings, federal or state, in which such interests of Connecticut
 288 consumers may be involved, or in which matters affecting utility
 289 services rendered or to be rendered in this state may be involved. The
 290 Office of Consumer Counsel shall be a party to each contested case
 291 before the Department of Public Utility Control and shall participate in
 292 such proceedings to the extent it deems necessary. Said Office of
 293 Consumer Counsel may appeal from a decision, order or authorization
 294 in any such state regulatory proceeding notwithstanding its failure to
 295 appear or participate in said proceeding.

296 (b) There shall be a division of the Office of Consumer Counsel
 297 dedicated to evaluating all state energy efficiency, conservation and
 298 renewable energy programs. Said division shall develop a detailed
 299 plan, which shall include, but not be limited to, (1) a prioritization of
 300 projects based on size or savings, (2) ongoing evaluations of energy
 301 efficiency and renewable energy programming and an annual
 302 verification of energy savings, and (3) annual evaluations to verify
 303 yearly energy and capacity savings and total resource benefits and
 304 progress towards goals. The division shall consider the information
 305 available in the reports required by subsection (f) of section 16-245m,
 306 subsection (f) of section 16-245n and subdivision (2) of subsection (e) of
 307 section 16a-22l. On or before January 1, 2010, said office shall submit
 308 the plan developed pursuant to this subsection to the Department of
 309 Public Utility Control for approval or modification. The expenses for
 310 this division will come from two per cent of the program budgeting
 311 from the programs pursuant to sections 16-245l, 16-245m and 16-245n.

312 [(b)] (c) Except as prohibited by the provisions of section 4-181, the
313 Office of Consumer Counsel shall have access to the records of the
314 Public Utilities Control Authority and the Department of Public Utility
315 Control, shall be entitled to call upon the assistance of the authority's
316 and the department's experts, and shall have the benefit of all other
317 facilities or information of the authority or department in carrying out
318 the duties of the Office of Consumer Counsel, except for such internal
319 documents, information or data as are not available to parties to the
320 authority's proceedings. The department shall provide such space as
321 necessary within the department's quarters for the operation of the
322 Office of Consumer Counsel, and the department shall be empowered
323 to set regulations providing for adequate compensation for the
324 provision of such office space.

325 [(c)] (d) The Office of Consumer Counsel shall be under the
326 direction of a Consumer Counsel, who shall be appointed by the
327 Governor with the advice and consent of either house of the General
328 Assembly. The Consumer Counsel shall be an elector of this state and
329 shall have demonstrated a strong commitment and involvement in
330 efforts to safeguard the rights of the public. The Consumer Counsel
331 shall serve for a term of five years unless removed pursuant to section
332 16-5. The salary of the Consumer Counsel shall be equal to that
333 established for management pay plan salary group seventy-one by the
334 Commissioner of Administrative Services. No Consumer Counsel
335 shall, for a period of one year following the termination of service as
336 Consumer Counsel, accept employment by a public service company,
337 a certified telecommunications provider or an electric supplier. No
338 Consumer Counsel who is also an attorney shall in any capacity,
339 appear or participate in any matter, or accept any compensation
340 regarding a matter, before the Public Utilities Control Authority, for a
341 period of one year following the termination of service as Consumer
342 Counsel.

343 [(d)] (e) The Consumer Counsel shall hire such staff as he deems
344 necessary to perform the duties of said Office of Consumer Counsel

345 and may employ from time to time outside consultants knowledgeable
 346 in the utility regulation field including, but not limited to, economists,
 347 capital cost experts and rate design experts. The salaries and
 348 qualifications of the individuals so hired shall be determined by the
 349 Commissioner of Administrative Services pursuant to section 4-40.

350 [(e)] (f) Nothing in this section shall be construed to prevent any
 351 party interested in such proceeding or action from appearing in person
 352 or from being represented by counsel therein.

353 [(f)] (g) As used in this section, "consumer" means any person, city,
 354 borough or town that receives service from any public service
 355 company, electric supplier or from any certified telecommunications
 356 provider in this state whether or not such person, city, borough or
 357 town is financially responsible for such service.

358 [(g)] (h) The Office of Consumer Counsel shall not be required to
 359 post a bond as a condition to presenting an appeal from any state
 360 regulatory decision, order or authorization.

361 [(h)] (i) The expenses of the Office of Consumer Counsel shall be
 362 assessed in accordance with the provisions of section 16-49.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16a-35k
Sec. 2	<i>July 1, 2009</i>	16-32f
Sec. 3	<i>from passage</i>	16a-22l(e)(3)
Sec. 4	<i>from passage</i>	16a-37u
Sec. 5	<i>from passage</i>	4-73(c)(2)
Sec. 6	<i>from passage</i>	16a-37v
Sec. 7	<i>from passage</i>	16-2a

Statement of Purpose:

To effectuate the recommendations made by the Legislative Program Review and Investigations Committee regarding energy efficiency and conservation programs in Connecticut.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]